

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

SESSION LAW 2011-376
HOUSE BILL 648

AN ACT TO CLARIFY AND AMEND THE LAWS PERTAINING TO EXCEPTIONS AND BUILDING PERMITS AS RELATED TO GENERAL CONTRACTORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-1 reads as rewritten:

"§ 87-1. "General contractor" defined; exceptions.

(a) For the purpose of this Article any person or firm or corporation who for a fixed price, commission, fee, or wage, undertakes to bid upon or to construct or who undertakes to superintend or manage, on his own behalf or for any person, firm, or corporation that is not licensed as a general contractor pursuant to this Article, the construction of any building, highway, public utilities, grading or any improvement or structure where the cost of the undertaking is thirty thousand dollars (\$30,000) or more, or undertakes to erect a North Carolina labeled manufactured modular building meeting the North Carolina State Building Code, shall be deemed to be a "general contractor" engaged in the business of general contracting in the State of North Carolina.

(b) This section shall not apply to the following:

- (1) ~~persons or firms~~ Persons, firms, or corporations furnishing or erecting industrial equipment, power plan equipment, radial brick chimneys, and monuments.
- (2) ~~This section shall not apply to any person or firm~~ Any person, firm, or corporation who constructs or alters a building on land owned by that person, ~~firm~~ firm, or corporation provided ~~such~~ (i) the building is intended solely for occupancy by that person and his family, firm, or corporation after completion; and ~~provided further that, if such~~ (ii) the person, firm, or corporation complies with G.S. 87-14. If the building is not occupied solely by such ~~the~~ person and his family, firm, or corporation for at least 12 months following completion, it shall be presumed that the person, firm, or corporation did not intend ~~such~~ the building solely for occupancy by that person and his family, firm, or corporation.
- (3) ~~This section shall not apply to any~~ Any person engaged in the business of farming who constructs or alters a building on land owned by that person and used in the business of farming, when ~~such~~ the building is intended for use by that person after completion."

SECTION 2. G.S. 87-14 reads as rewritten:

"§ 87-14. Regulations as to issue of building permits.

(a) Any person, ~~firm~~ firm, or corporation, upon making application to the building inspector or such other authority of any incorporated city, ~~town~~ town, or county in North Carolina charged with the duty of issuing building or other permits for the construction of any building, highway, sewer, ~~grading~~ grading, or any improvement or structure where the cost thereof is to be thirty thousand dollars (\$30,000) or more, shall, before ~~he~~ being entitled to the issuance of ~~such permit,~~ a permit, satisfy the following:



(1) ~~furnish~~ Furnish satisfactory proof to ~~such the~~ the inspector or authority that ~~he~~ the person seeking the permit or another person contracting to superintend or manage the construction is duly licensed under the terms of this Article to carry out or superintend the ~~same,~~ construction or is exempt from licensure under G.S. 87-1(b). If an applicant claims an exemption from licensure pursuant to G.S. 87-1(b)(2), the applicant for the building permit shall execute a verified affidavit attesting to the following:

- a. That the person is the owner of the property on which the building is being constructed or, in the case of a firm or corporation, is legally authorized to act on behalf of the firm or corporation.
- b. That the person will personally superintend and manage all aspects of the construction of the building and that the duty will not be delegated to any other person not duly licensed under the terms of this Article.
- c. That the person will be personally present for all inspections required by the North Carolina State Building Code, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes.

The building inspector or other authority shall transmit a copy of the affidavit to the Board, who shall verify that the applicant was validly entitled to claim the exemption under G.S. 87-1(b)(2). If the Board determines that the applicant was not entitled to claim the exemption under G.S. 87-1(b)(2), the building permit shall be revoked pursuant to G.S. 153A-362 or G.S. 160A-422.

(2) ~~and that he has paid the license tax required by the Revenue Act of the State of North Carolina then in force so as to be qualified to bid upon or contract for the work for which the permit has been applied, and that he~~ Furnish proof that the person has in effect Workers' Compensation insurance as required by Chapter 97 of the General Statutes; ~~Statutes.~~

(b) ~~and it~~ It shall be unlawful for ~~such the~~ the building inspector or other authority to issue or allow the issuance of ~~such a~~ a building permit pursuant to this section unless and until the applicant has furnished evidence that ~~he the~~ the applicant is either exempt from the provisions of this ~~Article~~ Article and, if applicable, fully complied with the provisions of subdivision (a)(1) of this section, or is duly licensed under this Article to carry out or superintend the work for which permit has been applied; ~~and further, that the applicant has paid the license tax required by the State Revenue Act then in force so as to be qualified to bid upon or contract for the work covered by the permit;~~ and further, that the applicant has in effect Workers' Compensation insurance as required by Chapter 97 of the General Statutes. Any building inspector or other ~~such~~ authority who is subject to and violates the terms of this section shall be guilty of a Class 3 misdemeanor and subject only to a fine of not more than fifty dollars (\$50.00)."

SECTION 3. G.S. 153A-360 reads as rewritten:

"§ 153A-360. Inspections of work in progress.

As the work pursuant to a permit progresses, local inspectors shall make as many inspections of the work as may be necessary to satisfy them that it is being done according to the provisions of the applicable State and local laws and local ordinances and regulations and of the terms of the permit. In exercising this power, each member of the inspection department has a right, upon presentation of proper credentials, to enter on any premises within the territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or other enforcement action. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally

present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes."

SECTION 4. G.S. 160A-420 reads as rewritten:

"§ 160A-420. Inspections of work in progress.

As the work pursuant to a permit progresses, local inspectors shall make as many inspections thereof as may be necessary to satisfy them that the work is being done according to the provisions of any applicable State and local laws and of the terms of the permit. In exercising this power, members of the inspection department shall have a right to enter on any premises within the jurisdiction of the department at all reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes."

SECTION 5. G.S. 87-10(e) reads as rewritten:

"(e) A certificate of license shall expire on the thirty-first day of December following its issuance or renewal and shall become invalid 60 days from that date unless renewed, subject to the approval of the Board. Renewals may be effected any time during the month of January without reexamination, by the payment of a fee to the secretary of the Board. The fee shall not exceed one hundred twenty-five dollars (\$125.00) for an unlimited license, one hundred dollars (\$100.00) for an intermediate license, and seventy-five dollars (\$75.00) for a limited license. No later than November 30 of each year, the Board shall mail written notice of the amount of the renewal fees for the upcoming year to the last address of record for each general contractor licensed pursuant to this Article. Renewal applications shall be accompanied by evidence of continued financial responsibility satisfactory to the Board. Renewal applications received by the Board after January shall be accompanied by a late payment of ten dollars (\$10.00) for each month or part after January. After a lapse of ~~two~~ four years no renewal shall be effected and the applicant shall fulfill all requirements of a new applicant as set forth in this section."

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 17th day of June, 2011.

s/ Walter H. Dalton
President of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 1:04 p.m. this 27th day of June, 2011